

House File 2322 - Introduced

HOUSE FILE 2322
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 594)

A BILL FOR

1 An Act providing an automated dispensing device privilege
2 for certain liquor control licensees and beer and wine
3 permittees.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.3, Code 2016, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6A. "*Automated dispensing device*" means any
4 mechanized device capable of dispensing beer, wine, or spirits
5 directly or by remote activation to a patron by an authorized
6 liquor control licensee, beer permittee, or wine permittee.

7 Sec. 2. NEW SECTION. 123.151 **Automated dispensing device**
8 **privilege.**

9 1. A liquor control licensee, beer permittee, or wine
10 permittee shall not allow a patron to serve themselves wine,
11 beer, or alcoholic liquor through an automated dispensing
12 device except as otherwise authorized pursuant to this section.

13 2. A liquor control licensee, beer permittee, or wine
14 permittee may apply for and receive authorization from the
15 administrator for the privilege to allow patrons to serve
16 themselves beer, wine, or spirits, as authorized by the
17 license or permit, through an automated dispensing device for
18 consumption on the licensed or permitted premises, subject to
19 the requirements of this chapter. The privilege of allowing
20 patrons to serve themselves beer, wine, or spirits through
21 an automated dispensing device shall be noted on the liquor
22 control license or permit.

23 3. The administrator shall only grant the privilege of
24 allowing patrons to serve themselves beer, wine, or spirits
25 through an automated dispensing device to the holder of a
26 liquor control license, beer permit, or wine permit that
27 authorizes the sale of beer, wine, or spirits for consumption
28 on the licensed or permitted premises.

29 4. The division shall establish by rule the terms and
30 conditions under which an automated dispensing device may
31 be operated by an authorized liquor control licensee, beer
32 permittee, or wine permittee. The rules shall include but not
33 be limited to the following:

34 a. A requirement that the authorized liquor control
35 licensee, beer permittee, or wine permittee activate the

1 automated dispensing device and any associated component
2 designed to grant access to the device before a patron
3 independently dispenses beer, wine, or spirits.

4 *b.* A requirement that the authorized liquor control
5 licensee, beer permittee, or wine permittee deactivate the
6 automated dispensing device and any associated component
7 designed to grant access to the device at the end of each
8 business day.

9 *c.* A requirement that the authorized liquor control
10 licensee, beer permittee, or wine permittee control and limit
11 the amount of beer, wine, or spirits dispensed by the automated
12 dispensing device in a single transaction.

13 *d.* A requirement that the authorized liquor control
14 licensee, beer permittee, or wine permittee exercise all
15 necessary care and employ an adequate number of employees to
16 ensure that each purchase through the automated dispensing
17 device is made by a person of legal age and that all beer, wine,
18 or spirits dispensed through an automated dispensing device is
19 only consumed by persons of legal age.

20 *e.* A requirement that the authorized liquor control
21 licensee, beer permittee, or wine permittee exercise all
22 necessary care and employ an adequate number of employees to
23 ensure that a patron served beer, wine, or spirits through an
24 automated dispensing device is not intoxicated.

25 5. In addition to the penalty provisions of section 123.39,
26 the division may rescind the privilege granted a liquor control
27 licensee, beer permittee, or wine permittee to allow patrons to
28 serve themselves beer, wine, or spirits through an automated
29 dispensing device for failure to comply with the requirements
30 of this section.

31 Sec. 3. TRANSITION AND WAIVER PROVISION.

32 1. Notwithstanding any provision of section 123.151,
33 as enacted by this Act, to the contrary, a liquor control
34 licensee, beer permittee, or wine permittee granted a waiver
35 to dispense wine or beer through an automated dispensing

1 device as of the effective date of this Act shall be permitted
2 to continue to dispense wine or beer through an automated
3 dispensing device subject to the conditions provided in the
4 waiver until September 30, 2016.

5 2. A licensee or permittee who had applied for and
6 was denied a waiver to dispense wine or beer through an
7 automated dispensing device prior to January 1, 2016, may
8 apply for and be granted a privilege to dispense beer, wine,
9 or spirits through an automated dispensing device pursuant
10 to section 123.151, as enacted by this Act, notwithstanding
11 the requirement in section 123.151, subsection 4, paragraph
12 "b", that the automated dispensing device and any associated
13 component designed to grant access to the device be deactivated
14 at the end of each business day, if the licensee or permittee
15 acquired the automated dispensing device incapable of being
16 deactivated prior to January 1, 2016, and designates, in the
17 application, that the automated dispensing device is the device
18 that will be used to dispense beer, wine, or spirits pursuant
19 to the privilege, if granted. If the licensee or permittee
20 replaces or ceases to use the automated dispensing device
21 that is incapable of being deactivated, the authority of the
22 alcoholic beverages division of the department of commerce to
23 grant the licensee or permittee the privilege pursuant to this
24 subsection 2 shall cease and the licensee or permittee shall be
25 required to comply with all the requirements of section 123.151
26 to be granted the privilege to dispense beer, wine, or spirits
27 through an automated dispensing device.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with
30 the explanation's substance by the members of the general assembly.

31 This bill authorizes certain liquor control licensees,
32 beer permittees, and wine permittees to allow patrons to
33 serve themselves wine, beer, or spirits through an automated
34 dispensing device.

35 Code section 123.3 (definitions) is amended to define an

1 "automated dispensing device" as any mechanized device capable
2 of dispensing beer, wine, or spirits directly or by remote
3 activation to a patron by the licensee or permittee.

4 New Code section 123.151 authorizes the administrator
5 of the alcoholic beverages division of the department of
6 commerce to grant the privilege of dispensing wine, beer,
7 or spirits through an automated dispensing device to liquor
8 control licensees, beer permittees, and wine permittees under
9 certain conditions. The privilege, which shall be noted on
10 the applicable liquor control license or permit, shall only
11 be granted to holders of a license or permit authorized to
12 sell beer, wine, or spirits for consumption on the licensed
13 premises. The bill directs the alcoholic beverages division to
14 adopt rules requiring the applicable liquor control licensee,
15 beer permittee, or wine permittee to activate the device and
16 any component designed to grant access to the device before
17 a patron independently dispenses beer, wine, or spirits, to
18 deactivate the device at the end of each business day, to
19 limit the amount of wine, beer, or spirits dispensed in a
20 single transaction, and to exercise care and employ sufficient
21 persons to ensure that only persons of legal age may obtain
22 beer, wine, or spirits from the device and that a patron served
23 beer, wine, or spirits through an automated dispensing device
24 is not intoxicated. The bill grants the alcoholic beverages
25 division the authority to rescind the automated dispensing
26 device privilege for failure to comply with the requirements of
27 this new section.

28 The bill includes a transition and waiver provision. The
29 transition provision allows a liquor control licensee, beer
30 permittee, or wine permittee granted a waiver to dispense
31 wine or beer through an automated dispensing device as of the
32 effective date of the bill to continue to dispense wine or
33 beer through an automated dispensing device subject to the
34 conditions provided in the waiver until September 30, 2016.
35 The waiver provision provides that a licensee or permittee that

1 had applied for and been denied a waiver to dispense wine or
2 beer through an automated dispensing device prior to January 1,
3 2016, because the device was incapable of being deactivated at
4 the end of the business day may have this requirement waived
5 and be granted a privilege to dispense beer, wine, or spirits,
6 as provided by the bill.